



## **2004-06 POSTSECONDARY EDUCATION BUDGET RECOMMENDATION**

In November, the Council approved an operating and capital budget totaling \$2.3 billion needed to maintain postsecondary education reform. The budget provides funding increases to the public universities, the Kentucky Community and Technical College System, and the Lexington Community College. The funding request represents an increase of nearly \$65.8 million for 2004-05 and \$113 million for 2005-06.

The Council identified five priorities it deems essential to sustaining a strong uniform effort. The first two essential budget items are: first, continued support of the universities, Lexington Community College, and the Kentucky Community and Technical College System through benchmark funding as they educate the more than 42,000 additional students who have enrolled in the system since 1998; and, second, continued support of the trust funds including continuation of adult education and literacy, technology initiatives, science and technology programs, enhancing programs of national prominence, regional stewardship initiatives, and support for enrollment growth and productivity.

The third priority is to address the need to renovate existing space on our campuses, to provide new space for research, and to accommodate the additional students in the system. The Council recommends capital expenditures for a \$15 million pool for capital renewal, maintenance, and repairs; \$34.7 million in debt service for renovation, replacement infrastructure, and new construction; and a special appropriation of \$569,100 to assist Kentucky State University to renovate Young Hall Dormitory.

The fourth priority is the endowment match program commonly known as Bucks for Brains. The Council requested \$60 million for this program plus an additional \$1 million for an endowment match program for the Kentucky Community and Technical College System that will concentrate on creating jobs for Kentuckians.

Finally, the fifth priority is \$16.9 million in 2004-05 and \$18.3 million in 2005-06 to support the operations of the Council, the Kentucky Virtual University and the Kentucky Virtual Library, and pass-through programs. The Council also expressed strong support for the Kentucky need-based student financial aid programs - the College Access Program and the Kentucky Tuition Grant Program.

## **AFFORDABILITY**

The Council, after reviewing the many issues that confront it, has created three policy groups to give special attention this year to three areas: affordability, seamlessness, and workforce/economic development. In the coming weeks, a special section of the Council's web site will be created to communicate the activities of these policy groups. Consistent with the commitment to collaboration, the groups will include Council members and representatives from other agencies and groups.

Perhaps the most pressing challenge is affordability. Many of the governing board members attended the programs devoted to this topic at the September 2003 trusteeship conference. The institutions will face tough decisions in the coming year to balance concerns about maintaining college access for Kentucky's most vulnerable populations, sustaining the quality of programs, and increasing enrollments. It is important that these decisions be made with full understanding of Kentucky's financial aid resources and policies, the complex set of issues that drive college costs, and the options that are being pursued around the country to maintain affordability in the face of declining public support for postsecondary budgets. As these decisions are made, the Council, its affordability policy group, and the institutional leadership will work together to maintain the momentum of reform.

The Council's work on affordability, seamlessness, and economic development will be shared in future activity reports.

## **ADVOCACY**

The Council staff continues to work with the presidents and the institutions' legislative and public relations staff on a variety of activities to prepare for the 2004 General Assembly. Documents and strategies are being developed to build the case for the postsecondary budget request. In addition, an Inter-Alumni Council has been formed involving alumni from all the public institutions. This group will help keep institutional alumni informed on the progress of the postsecondary budget during the session and will create ways to help advocate for postsecondary funding.

## P-16 ACTIVITIES

At the 2003 Governor's Conference on Postsecondary Education Trusteeship, partnerships were emphasized as one of the keys to the success of postsecondary reform. Since 1997, Kentucky has made dramatic improvements in building partnerships with the variety of groups responsible for educating students from early childhood through college. Our state is recognized nationally for the rapid progress made since the formation of the state P-16 Council in 1999. Reform will succeed only if postsecondary education does its part to train highly qualified teachers for every classroom and ensure that elementary and secondary students know what it takes to succeed in college. Here are some examples of P-16 activities:

*Teacher Quality Summits.* For the last three years, the Council and the institutions have sponsored an annual Teacher Quality Summit. The third summit was held October 9-10 at Eastern Kentucky University. Among other initiatives, each institution has created a team of faculty to implement a plan to improve their teacher preparation and professional development programs. Issues to be addressed include involvement of faculty outside of colleges of education in teacher education and modification of faculty reward structures where necessary to encourage interaction with elementary and secondary schools.

*Kentucky GEAR UP.* Kentucky's postsecondary institutions are partners in the Council's \$21 million Kentucky GEAR UP program. The Kentucky Department of Education, P-12 schools, civic groups, and businesses are providing over \$10.5 million of matching support for an equal amount of federal dollars. GEAR UP supports economically disadvantaged students and their parents, teachers, and schools to ensure these students have the preparation and financial aid they need to succeed in college. Over 20,000 Kentucky students will benefit from the program during the life of the grant.

*Local P-16 Councils.* The Council has funded creation of local P-16 councils across the state to bring together civic, business, labor, and education leaders to determine the education gaps that threaten the health of their communities and local economies. Over half of Kentucky's counties are already involved and the Council continues to provide seed money to create new councils. Most recently, funds were provided to six local councils in the Maysville, Madisonville, and Pennyriple areas and in Pike, Henderson, Union, Webster, Whitley, Bell, and Knox counties. Kentucky has received national recognition for this work and the Council staff is helping other states develop similar initiatives. Each of the postsecondary institutions is a partner in one or more of these councils. Information on how to form local councils is available on the Council's web site at [www.cpe.state.ky.us/council/council\\_pl6\\_additional\\_info.asp](http://www.cpe.state.ky.us/council/council_pl6_additional_info.asp).

## INCREASING COLLEGE PARTICIPATION BY HIGH SCHOOL AND ADULT LEARNERS

Postsecondary education has worked together successfully to dramatically increase the number of Kentuckians going to college. This fall's enrollment figures show that:

- There are now over 109,000 Kentuckians enrolled in adult education programs, up from 51,000 in 2000.
- A record 226,910 students are estimated to have enrolled at public and independent postsecondary institutions in fall 2003, an increase of 5,728 students or 2.6 percent over 2002 enrollment.
- Since 1998, total postsecondary education enrollment increased by 42,064 students or 22.8 percent.
- Since 1998, undergraduate enrollment has increased 37,452, moving Kentucky closer to the goal of enrolling 80,000 new undergraduate students by 2015.
- The Kentucky Community and Technical College System showed the largest increase with 25,532 more students, an increase of 56.1 percent since 1998.

The dramatic increases in adult education enrollments are especially important. Kentucky cannot achieve its reform goals unless large numbers of adult learners are attracted back to college. One fourth of Kentucky's high school credentials are GEDs and the number of GED recipients seeking a college education is growing.

Postsecondary education must re-examine its policies to make sure the needs of adult learners are met. How is financial aid distributed? How accessible are programs and classes to adult learners, many of whom are place-bound, have families, and must work while going to college?

The adult education web site, [www.kyvae.org](http://www.kyvae.org), created through a partnership between Kentucky Adult Education and the Kentucky Virtual University, received the 2003 Recognition Award for Outstanding Achievement in the Field of Information Technology at the National Association of State Chief Information Officers (NASCIO) annual meeting in Scottsdale, Arizona, September 9, 2003. Kentucky's entry, "Helping Kentuckians Participate in the New Economy: Kentucky Virtual Adult Education Portal," won the category of Innovative Use of Technology. Overall, NASCIO selected 10 winners from 128 nominations submitted by 33 states. This web site provides tutoring and other support to adult learners trying to advance their education.

## TRANSFER

Because enrollments in the state's community and technical colleges are growing at an astounding rate, Kentucky needs to increase the number of students transferring from two-year to four-year institutions. The Council and its staff recently reported efforts to improve transfer to the Strategic Committee on Postsecondary Education. A summary of transfer initiatives also was presented to the Council at its September 2003 meeting. The summary is available on the Council's web site at [www.cpe.state.ky.us/council/CPE\\_Mtg\\_mats/2003/September](http://www.cpe.state.ky.us/council/CPE_Mtg_mats/2003/September).

The institutions can help promote transfer and create a truly seamless system of education in Kentucky. For example, each new undergraduate program should include transfer agreements with the Kentucky Community and Technical College System and the Lexington Community College.

## COLLABORATING TO MEET THE NEEDS OF KENTUCKY'S COMMUNITIES AND ECONOMY

The September trusteeship conference provided an overview of the many ways the research and teaching of the institutions are linked to improving community life, public health, workforce preparation, entrepreneurial activity, and the growth of new economy businesses.

The institutions have told the Council that they want to collaborate to increase long-term efficiency and productivity but that collaboration, at the outset, requires money. Recently the institutions received a request for proposals from the Council staff asking them to form new partnerships with other postsecondary institutions, community groups, and workforce and economic development agencies. These partnerships should develop and expand the capacity of academic programs designed to produce Kentucky's workforce in key areas and more efficiently and effectively meet the needs of the growing numbers of students on the campuses. The Council will provide start-up funds to support the best of these proposals. A description of this program can be viewed on the Council's web site at [www.cpe.state.ky.us/council/CPE\\_Mtg\\_mats/2003/September](http://www.cpe.state.ky.us/council/CPE_Mtg_mats/2003/September).

The University of Louisville and the University of Kentucky have joined with the Council to successfully apply to become partners in the Woodrow Wilson National Fellowship Foundation's *Responsive Ph.D.* initiative. Nationally, employers from the academic and private sectors have said institutions need to do a better job of preparing PhD's who can connect their teaching and research to the challenges faced by communities and society. Retention and graduation rates also need improvement, especially for women and minority students. UofL and UK will join institutions like Yale, Princeton, Duke, Howard, and the Universities of Michigan, Wisconsin, Pennsylvania, Texas, and Indiana to develop new approaches to doctoral education that accomplish these goals.

## KNOWLEDGE ECONOMY

House Bill 572, 2000 Regular Session of the Kentucky General Assembly, created knowledge economy programs for Kentucky and designated the Council on Postsecondary Education as the agency responsible for program implementation. The programs are the Research and Development Voucher Program, Rural Innovation Program, Commercialization Program, Regional Technology Corporations, and Kentucky Science and Engineering Foundation. In addition, the Council acts as the pass-through agent for the Experimental Program to Stimulate Competitive Research (EPSCoR).

House Bill 525, 2002 Regular Session, requires the Council to produce an annual report to communicate the status of the implementation of the knowledge-based economy programs. The report is posted on the Council web site at [www.cpe.state.ky.us/facts/2002\\_03Annual\\_Report](http://www.cpe.state.ky.us/facts/2002_03Annual_Report).

## KEY INDICATORS OF PROGRESS TOWARD POSTSECONDARY REFORM

In March 2001, the Council established a set of key indicators to help answer the five questions that guide postsecondary reform. Each indicator provides a specific, measurable objective for reform. Some indicators (such as the percentage of Kentuckians with a baccalaureate degree or higher) are broad, systemwide measures. Others (such as retention and graduation rates) are specific to individual postsecondary institutions.

In July 2003, the Council staff began work on the first systematic revision of the key indicators. The revision process had several goals:

- Reducing the number of indicators. A more streamlined list of indicators will allow the Council, the institutions, and other reform partners to concentrate their efforts on measures most central to the public agenda. Many of the former key indicators will be maintained as "related information."
- Further aligning Kentucky's performance measures with national accountability initiatives.
- Establishing new goals using updated baseline information.

During late summer and fall, the Council staff worked with institutional representatives and other reform partners to establish goals and develop a recommendation for the Council.

The Council approved 19 revised key indicators and goals for 14 indicators at its November 2003 meeting. The Council will consider goals for the remaining indicators at its February 2004 meeting. For additional information, go to [www.cpe.state.ky.us/council/CPE\\_Mtg\\_mats/2003/November](http://www.cpe.state.ky.us/council/CPE_Mtg_mats/2003/November).

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## 2004 CPE MEETING CALENDAR

**February 11** - CPE meeting & joint meeting with  
Kentucky Board of Education (Frankfort)

**March 14-15** - CPE meeting (location TBD)

**May 23-24** - CPE meeting & Institute for Effective  
Governance Spring Board Development Seminar (Lexington)

**July 18-19** - CPE meeting (location TBD)

**September 19-20** - CPE meeting & Governor's Conference  
on Postsecondary Education Trusteeship (location TBD)

**November 7-8** - CPE meeting (location TBD)

*For information about CPE meetings, contact Phyllis Bailey  
at 502.573.1555 or [phyllis.bailey@mail.state.ky.us](mailto:phyllis.bailey@mail.state.ky.us).*

**Activity reports will be posted on the Council's web site. Let us know if you would prefer to view future issues online by sending your e-mail address to Phyllis Bailey at [phyllis.bailey@mail.state.ky.us](mailto:phyllis.bailey@mail.state.ky.us). You will receive an e-mail notification when the activity reports are online.**

## QUESTIONS ?????

Contact President Tom Layzell at 502.573.1555 or  
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